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BDC Visible Loans Benchmark now bid above pre-Covid levels

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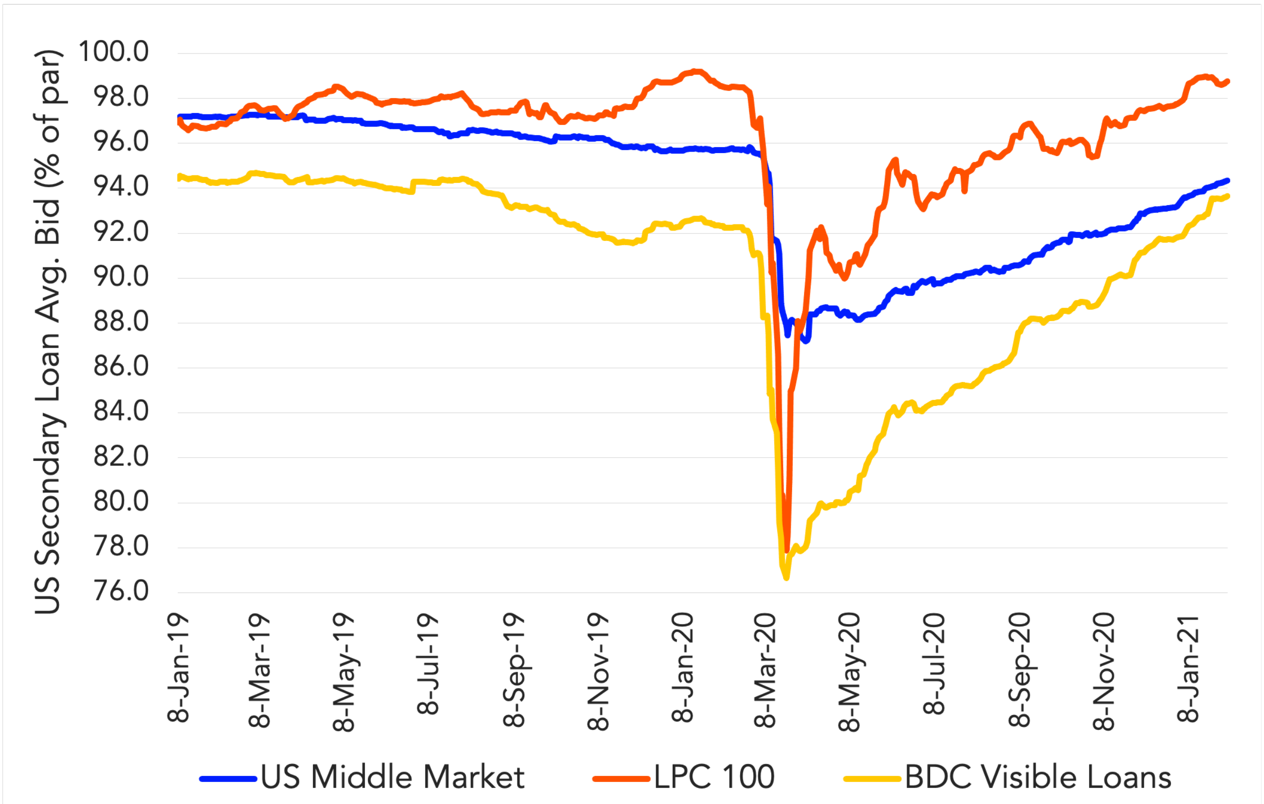

The BDC Visible Loans Benchmark has continued to climb higher, reaching the 93.65 level on Friday. The BDC secondary cohort comprises BDC holdings with active mark-to-market pricing by Refinitiv's pricing service. Friday's level was higher than the pre-Covid mark of 92.66 in January 2020.

The current BDC Visible Loans Benchmark average bid level is only slightly lower than average middle market bids. The middle market secondary loan cohort was bid at the 94.34 level recently and remains more than a point lower than its January 2020 level. Middle market average bids historically are bid higher than the BDC Visible Loans Benchmark.

In January 2020 the point difference was over 3 points. The reason its narrowed is because BDC's typically hold lower rated loans, and these riskier names in the secondary market have rallied since last fall. Since November 1, secondary bids for loans rated B2 or B3 have gained 4%, while loans rated lower than B3 have gained 9%. Currently, around 57% of BDC Visible Loans comprises loans rated B2 or lower.